

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Southern Clinton Co. Municipal Utilities Auth.	County Clinton
Fiscal Year End 12/31/06	Opinion Date 4/10/07	Date Audit Report Submitted to State 4/18/07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

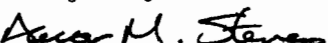
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>	N/A	
Other (Describe)	<input checked="" type="checkbox"/>	N/A	
Certified Public Accountant (Firm Name) Abraham & Gaffney, P.C.		Telephone Number 517.351.6836	
Street Address 3511 Coolidge Road, Suite 100		City East Lansing	State MI
Authorizing CPA Signature 		Printed Name Aaron M. Stevens, CPA	Zip 48823
		License Number 1101024055	

**Southern Clinton County
Municipal Utilities Authority
DeWitt, Michigan**

FINANCIAL STATEMENTS

December 31, 2006

Southern Clinton County Municipal Utilities Authority

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INDEPENDENT AUDITOR'S REPORT

To the Board of the
Southern Clinton County Municipal Utilities Authority
DeWitt, Michigan

We have audited the accompanying financial statements of the Southern Clinton County Municipal Utilities Authority as of and for the years ended December 31, 2006 and 2005, as listed in the Table of Contents. These financial statements are the responsibility of the Southern Clinton County Municipal Utilities Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southern Clinton County Municipal Utilities Authority as of December 31, 2006 and 2005, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Southern Clinton County Municipal Utilities Authority's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Southern Clinton County Municipal Utilities Authority. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

April 10, 2007

Southern Clinton County Municipal Utilities Authority

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2006

The intent of the management discussion and analysis is to provide highlights of Southern Clinton County Municipal Utilities Authority's (SCCMUA) financial activities for the Fiscal Year ended December 31, 2006. Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- ❖ **Net Assets:** The assets of SCCMUA exceeded its liabilities by \$9,372,134 as of December 31, 2006. Of this amount, \$517,325 (unrestricted net assets) may be used to meet SCCMUA's ongoing obligations to citizens and creditors. The total net assets increased by \$1,470,607. Total assets were more than one year ago due to equipment purchases, a new vehicle, and completion of the construction of the solids handling project.
- ❖ **Operating Revenues and Expenses:** Revenues were higher for the fiscal year ending December 31, 2006. This was due to funding of the solids handling project.
- ❖ **Non-Operating Revenues and Expenses:** Investment income was \$155,122 for fiscal year ending December 31, 2006. The municipalities have been contributing to their Solids Handling Reserves in order to fully fund the Solids Handling Project without incurring additional debt to the Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report includes this management discussion and analysis report, the independent auditor's report and the basic financial statement of SCCMUA, including notes that explain in more detail some of the information in the financial statements.

As a municipal wastewater treatment plant, SCCMUA engages in primarily enterprise operations in various separate and distinct activities. These activities include but are not limited to: 1) treatment of domestic and industrial wastewater; 2) maintenance of sanitary sewers; and 3) lift station operation and maintenance. SCCMUA was created by the City of DeWitt, and DeWitt, Bath and Watertown Charter Townships to provide collection, treatment and disposal of sewage for the benefit of their constituents.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information of SCCMUA using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The Statement of Net Assets includes all of SCCMUA's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to their creditors (liabilities). It also provides the basis for evaluating the capital structure of SCCMUA and assessing their liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of SCCMUA's operations over the past year.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Southern Clinton County Municipal Utilities Authority

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2006

FINANCIAL ANALYSIS OF SCCMUA

The Statement of Net Assets and the Statement of Activities provide information to determine how SCCMUA did financially during Fiscal Year 2006. The net assets, or the difference between assets and liabilities, and the changes in them can indicate whether financial health is improving or deteriorating over time. However, other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation also need to be considered in determining SCCMUA's financial health.

NET ASSETS

SCCMUA's Condensed Statement of Net Assets and Statement of Revenue, Expenses and Changes in Fund Net Assets are presented in the following Tables. A comparative analysis of data will be presented to the fiscal year 2006.

TABLE 1
CONDENSED STATEMENT OF NET ASSETS

	<u>12/31/2006</u>	<u>12/31/2005</u>
Current Assets	\$ 2,519,354	\$ 3,702,938
Noncurrent Assets	603,879	1,209,522
Capital Assets	<u>6,464,697</u>	<u>3,825,474</u>
Total Assets	9,587,930	8,737,934
Current Liabilities	178,257	798,868
Noncurrent Liabilities	<u>37,539</u>	<u>37,539</u>
Total Liabilities	215,796	836,407
Invested in Capital Assets	6,464,497	3,825,474
Restricted	2,390,112	3,490,164
Unrestricted	<u>517,325</u>	<u>585,890</u>
Total Net Assets	<u>\$ 9,372,134</u>	<u>\$ 7,901,528</u>

Southern Clinton County Municipal Utilities Authority

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2006

TABLE 2
CONDENSED STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET ASSETS

	<u>2006</u>	<u>2005</u>
Operating Revenues	\$ 3,866,090	\$ 3,700,159
Nonoperating Revenues	<u>155,122</u>	<u>95,049</u>
Total Revenues	4,041,212	3,795,208
Depreciation Expense	188,361	165,735
Other Operating Expense	<u>2,382,244</u>	<u>1,994,498</u>
Total Expenses	<u>2,570,605</u>	<u>2,160,233</u>
Changes in Net Assets	1,470,607	1,634,975
Beginning Net Assets	7,901,527	6,355,882
Prior Period Adjustment	<u>-</u>	<u>(89,330)</u>
Ending Net Assets	<u>\$ 9,372,134</u>	<u>\$ 7,901,527</u>

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Revenues, Expenses and Changes in Net Assets shows how total revenues and expenditures increased the net assets. In 2005, Capital Consultants performed a Wastewater Rate Study. This will determine the future user fees that the municipalities must charge to continue operation of this facility. The Depreciation expense of \$188,361 is a noncash expense, which represents the reduction in the value of the facility and system.

The rate charged to municipal users is determined by each municipality based on the most current Wastewater Rate Study. The budget is made up of several parts. Each municipality is billed 100% for their collection system budget. The budget for the Plant and Administrative costs are billed based on each municipality's ownership in the Authority. The Process costs are billed based on the previous full years flow into the facility by each municipality. Industrial Pretreatment charges are based on the adopted budget for that department, divided by the actual number of Industrial and Significant Industrial users. The Annual Replacement reserve is used to pay for capital improvements such as computer upgrades, plant improvements and equipment.

BUDGETARY HIGHLIGHTS

SCCMUA is an enterprise fund and is not required to adopt an annual budget. However, the SCCMUA Authority Board does adopt an annual Operating Budget and a seven-year Capital Improvement Plan following a public hearing. The Operating Budget includes proposed expenses and the means of financing them. The SCCMUA's operating budget remains in effect but can be revised with SCCMUA Authority Board approval prior to the December 31 year end.

A combined statement of revenues and expenses for 2006 is presented in TABLE 3.

Southern Clinton County Municipal Utilities Authority

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2006

TABLE 3
COMBINING STATEMENT OF REVENUES AND EXPENSES
Year Ended December 31, 2006

	Investment Earnings and Interest Clearing	Sewer System	Industrial Pretreatment Program	Total
REVENUES				
Charges for services	\$ -	\$ 3,850,848	\$ 23,579	\$ 3,874,427
Interest	155,122	-	-	155,122
Other	-	11,663	-	11,663
TOTAL REVENUES	155,122	3,862,511	23,579	4,041,212
EXPENSES				
Salaries	-	729,174	5,206	734,380
Benefits	-	286,977	1,350	288,327
Motor vehicle and mileage	-	31,455	973	32,428
Utilities	-	314,609	-	314,609
Regulatory fees	-	8,371	-	8,371
Insurance	-	84,258	-	84,258
Repairs and maintenance	-	383,801	-	383,801
Education and training	-	20,130	1,927	22,057
Professional services	-	51,223	15,108	66,331
Supplies	-	72,395	173	72,568
Solids handling	-	55,835	-	55,835
Odor control	-	28,939	-	28,939
Miscellaneous	-	5,490	-	5,490
Equipment depreciation	-	188,361	-	188,361
Refund to municipalities	-	284,850	-	284,850
TOTAL EXPENSES	-0-	2,545,868	24,737	2,570,605
REVENUES OVER (UNDER) EXPENSES	\$ 155,122	\$ 1,316,643	\$ (1,158)	\$ 1,470,607

CAPITAL ASSETS

During 2006, SCCMUA invested \$115,331 in equipment for the wastewater treatment plant. A new service truck, replacement RBC bearings, new primary clarifier gates and a new vehicle & equipment storage building were purchased. In addition, the SCCMUA made improvements to the system. The solids handling project was completed at a cost of \$5.2 million. SCCMUA has a seven year Asset Management Plan that includes continued improvements for controls, radios, lift station, and exterior work on the plant. The goal of any asset management program is to maintain the assets in as close to "new" condition to eliminate the need for more costly repairs and/or replacement. By keeping the assets in "new", "excellent," or "good" condition (depending on the Asset Management terms being used), experience has shown that the ultimate costs are substantially reduced. A rule of thumb is that for every \$1 of capital maintenance, nearly \$4 in more costly repairs and replacements are saved. The major project for this facility is the Solids Handling project that involves building two new digesters and new storage for the sludge. This project was completed in the fall of 2006.

Southern Clinton County Municipal Utilities Authority

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2006

TABLE 4
CAPITAL ASSETS

	<u>2006</u>	<u>2005</u>
Construction in Progress	\$ -	\$ 2,481,784
Machinery and Equipment	<u>8,046,766</u>	<u>2,727,398</u>
Total at Historical Cost	8,046,766	5,219,182
Less: Accumulated Depreciation	<u>(1,582,069)</u>	<u>(1,393,708)</u>
Net Property and Equipment	<u>\$ 6,464,697</u>	<u>\$ 3,825,474</u>

DEBT ADMINISTRATION

At the end of the 2006 fiscal year, the Authority had no outstanding debt. This was unchanged from the 2005 fiscal year.

CONTACT INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of SCCMUA's finances and to demonstrate its accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact Lisa Mead, Secretary/Treasurer, SCCMUA 3671 W. Herbison Road, DeWitt, MI 48820 or by phone at (517) 669-8311.

BASIC FINANCIAL STATEMENTS

Southern Clinton County Municipal Utilities Authority

STATEMENT OF NET ASSETS

December 31, 2006 and 2005

	2006	2005
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,256,706	\$ 2,638,284
Investments	1,260,784	1,053,943
Accounts receivable	1,864	10,711
Total current assets	2,519,354	3,702,938
Noncurrent assets		
Investments	603,879	1,209,522
Capital assets not being depreciated	-	2,491,784
Capital assets, net of accumulated depreciation	6,464,697	1,333,690
Total noncurrent assets	7,068,576	5,034,996
TOTAL ASSETS	9,587,930	8,737,934
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	135,566	759,684
Accrued wages payable	20,020	16,546
Other accrued liabilities	317	284
Current portion of vacation and sick pay	22,354	22,354
Total current liabilities	178,257	798,868
Noncurrent liabilities		
Accrued vacation and sick pay	37,539	37,539
TOTAL LIABILITIES	215,796	836,407
NET ASSETS		
Invested in capital assets	6,464,697	3,825,474
Restricted for:		
Capital replacement	2,370,610	3,471,491
Other purposes	19,502	18,672
Unrestricted	517,325	585,890
TOTAL NET ASSETS	\$ 9,372,134	\$ 7,901,527

See accompanying notes to financial statements.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
OPERATING REVENUES		
Charges for services	\$ 3,874,427	\$3,688,057
Other	<u>11,663</u>	<u>12,102</u>
TOTAL OPERATING REVENUES	3,886,090	3,700,159
OPERATING EXPENSES		
Salaries	734,380	708,202
Benefits	288,327	250,615
Motor vehicle and mileage	32,428	30,140
Utilities	314,609	273,987
Regulatory fees	8,371	7,634
Insurance	84,258	81,610
Repairs and maintenance	383,801	339,347
Education and training	22,057	16,830
Professional services	66,331	54,433
Supplies	72,568	66,482
Solids handling	55,835	72,093
Odor Control	28,939	20,465
Miscellaneous	5,490	10,683
Capital improvements	-	61,977
Equipment depreciation	188,361	165,735
Refund to municipalities	<u>284,850</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>2,570,605</u>	<u>2,160,233</u>
OPERATING INCOME	1,315,485	1,539,926
NONOPERATING REVENUE		
Interest	<u>155,122</u>	<u>95,049</u>
CHANGE IN NET ASSETS	1,470,607	1,634,975
Net assets, beginning of year	7,901,527	6,355,882
Prior period adjustment	<u>-</u>	<u>(89,330)</u>
Net assets, end of year	<u><u>\$ 9,372,134</u></u>	<u><u>\$7,901,527</u></u>

See accompanying notes to financial statements.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF CASH FLOWS

Years Ended December 31, 2006 and 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 3,894,937	\$ 3,696,412
Cash paid to suppliers	(1,983,655)	(381,248)
Cash paid to employees	(1,019,200)	(959,512)
NET CASH PROVIDED BY OPERATING ACTIVITIES	892,082	2,355,652
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(2,827,584)	(2,607,310)
Dispositions of capital assets	-	39,523
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,827,584)	(2,567,787)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	155,122	95,049
Purchase of investments	(154,591)	-
Maturities of investments	553,393	563,890
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	553,924	658,939
NET (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR	(1,381,578)	446,804
Restated cash and cash equivalents, beginning of year	2,638,284	2,191,480
Cash and cash equivalents, end of year	<u>\$ 1,256,706</u>	<u>\$ 2,638,284</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,315,485	\$ 1,539,926
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	188,361	165,735
(Increase) decrease in accounts receivable	8,847	(3,747)
Increase (decrease) in accounts payable	(624,118)	654,433
Increase (decrease) in accrued liabilities	3,507	(695)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 892,082</u>	<u>\$ 2,355,652</u>

See accompanying notes to financial statements.

Southern Clinton County Municipal Utilities Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Southern Clinton County Municipal Utilities Authority (SCCMUA) was created under Public Act 233 of 1955, as amended, by contractual agreement between DeWitt Charter Township, Bath Charter Township, the City of DeWitt, and Watertown Charter Township. The SCCMUA Board is made up of five (5) members appointed by DeWitt Charter Township, two (2) members appointed by Watertown Charter Township, two (2) members appointed by Bath Charter Township, and one (1) member appointed by the City of DeWitt. The purpose of the SCCMUA is to operate, maintain, administer, and manage the sewage disposal system for the benefit of the constituent municipalities.

The allocation of costs of the SCCMUA related to the constituent municipalities is either directly charged based on direct benefit or is based on ownership percentages and/or usage of the system as measured by billable flow. The following details the ownership percentages and billable flow percentages that were utilized for the year ended December 31, 2006.

	<u>Ownership</u>	<u>Billable Flow</u>
DeWitt Charter Township	55.7576 %	61.42 %
Bath Charter Township	16.7273	26.72
City of DeWitt	11.3131	9.45
Watertown Charter Township	16.2020	2.41

1. Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the Southern Clinton County Municipal Utilities Authority. The SCCMUA is considered a "joint venture" of the constituent municipalities.

2. Basis of Presentation

The operations of the SCCMUA are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The SCCMUA's resources are allocated to and accounted for in the individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund in the financial statements in this report is described as follows:

PROPRIETARY FUND

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

3. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the Statement of Net Assets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Accounting - continued

The Proprietary Fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred.

5. Budgets and Budgetary Accounting

The annual budget of the SCCMUA is prepared by SCCMUA management and approved by the SCCMUA Budget and Finance Committee. The proposed budget and allocation of costs are submitted to the municipalities in August prior to the beginning of each fiscal year. The municipalities advise SCCMUA of any objections to the proposed budget and allocation and then each municipality Board approves the budget. The SCCMUA Board then adopts the approved budgets in November prior to the beginning of each fiscal year.

6. Cash, Cash Equivalents, and Investments

Cash and cash equivalents consists of the SCCMUA checking and money market accounts.

Investments consist of U.S. Government securities and pooled investment funds. The U.S. Government securities and pooled investment funds are stated at market value.

7. Capital Assets

The accounting and reporting treatment applied to the capital assets and associated with a fund are determined by its measurement focus. The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with the activity are included on the Statement of Net Assets.

Capital assets are recorded at cost, or if donated, at fair market value at the date of donation. Expenditures that materially extend the useful life of existing assets are capitalized. Depreciation of all exhaustible capital assets used by the proprietary fund is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net assets. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives are:

Machinery and equipment	3 - 50 years
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The costs related to original construction of the plant are recorded by each constituent municipality in their financial statements.

8. Accrued Vacation and Sick Leave

The SCCMUA employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for certain portions of unused accumulated vacation and sick time. The dollar amount of those rights amounted to \$59,893 at December 31, 2006. The amounts of \$22,354 and \$37,539 have been reported as current and noncurrent liabilities, respectively, on the Statement of Net Assets.

9. Comparative Data

Comparative data for the prior year has been presented in some of the accompanying financial statements in order to provide an understanding of changes in the fund's financial position and operations of various components of the fund. Certain balances in the prior year financial statements have been restated for comparative purposes to conform with the presentation in the current year financial statements.

Southern Clinton County Municipal Utilities Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS

In accordance with Michigan Compiled Laws, the SCCMUA is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States Banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State funds, securities issued by the Federal Loan Mortgage Association, Federal National Mortgage Corporation or Government National Mortgage Association.

Deposits

There is a custodial risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2006, the carrying amount of SCCMUA's deposits was \$102,821 and the bank balance was \$132,883, of which \$130,000 was covered by federal deposit insurance. The balance of \$2,883 was uninsured and uncollateralized. The Authority had \$200 of imprest cash on hand.

Investments

As of December 31, 2006, SCCMUA had the following investments:

<u>INVESTMENT TYPE</u>	<u>Fair Value</u>	<u>Bank Balance</u>	<u>Standard & Poor's Rating</u>	<u>Weighted Average Maturity (years)</u>
Insured or registered for which the securities are held by SCCMUA's agent in SCCMUA's name				
U.S. Treasury securities	\$ 1,864,663	\$ 1,864,663	AAA	N/A
Treasury Portfolio Class B	151,956	151,956	AAA	N/A
Centennial Government Trust	1,001,729	1,001,729	AAA	15 days
	<u>\$ 3,018,348</u>	<u>\$ 3,018,348</u>		

Southern Clinton County Municipal Utilities Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE D: RETIREMENT PLAN

Plan Description

The Authority participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit pension plan that covers all eligible full-time employees of the Authority. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the Authority Board and by negotiation with the Authority's collective bargaining units. The plan requires a 6.04% contribution from union personnel and a 1.2% contribution from non-union personnel. The Authority is required to contribute remaining amounts necessary to fund the plan.

Annual Pension Cost

For year ended December 31, 2006, the Authority's annual pension cost of \$40,470 for the plan was equal to the Authority's required and actual contribution. The estimated annual required contribution was determined as part of an actuarial valuation at December 31, 2004, using the entry actual age cost method. Actual required contributions are based on actual reported monthly payroll. Significant actuarial assumptions used include (a) a 8.00 percent investment rate of return (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation (c) additional salary increases ranging from 0% to 8.4% per year depending on age, seniority and merit, and (d) assumption benefits will increase 2.5% per year (annually) for persons under Benefit E-1 or E-2 after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four (4) year period.

Three (3) year trend information

	Year Ended December 31,		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
Actuarial value of assets	\$ 1,576,784	\$ 1,726,412	\$ 1,874,732
Actuarial accrued liability (AAL)	1,483,947	1,729,540	1,766,270
Unfunded (overfunded) AAL	(92,837)	3,128	(108,462)
Funded ratio	106 %	100 %	106 %
Covered payroll	642,989	695,210	682,471
UAAL as a percentage of covered payroll	(14)%	0 %	0 %

	Year Ended December 31,		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Annual pension cost	\$ -	\$ 21,214	\$ 40,470
Percentage of APC contributed	100 %	100 %	100 %
Net pension obligation	-	-	-

Southern Clinton County Municipal Utilities Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE E: RISK MANAGEMENT

The SCCMUA participates in a pool, the Michigan Municipal Risk Management Authority, with other municipalities for property, liability, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self insurance pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The SCCMUA has not been informed of any special assessments being required.

The SCCMUA also participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The SCCMUA has not been informed of any special assessments being required.

NOTE F: NET ASSETS

Net assets have been segregated into restricted and unrestricted components. The restricted portions of net assets represent the balances that have been set aside for specific purposes based upon agreements with the constituent municipalities developed through the annual budgeting process. Unrestricted net assets represent the remaining amounts that are available for general operating purposes for the specific functions. The restricted and unrestricted net assets are further segregated by constituent municipality based on operational allocation methodologies (i.e. direct ownership and/or billable flow percentages).

The following provides a detail of the restricted net assets balances as of December 31, 2006:

	DeWitt Charter Township	Bath Charter Township	City of DeWitt	Watertown Charter Township	Total
Invested in capital assets	\$ 3,679,715	\$ 1,274,739	\$ 663,350	\$ 846,893	\$ 6,464,697
Restricted for:					
Capital replacement:					
Plant equipment	81,308	24,392	16,497	23,626	145,823
Process equipment	1,006,684	347,634	192,500	219,610	1,766,428
Sewer system	<u>4,523</u>	<u>122,493</u>	<u>129,422</u>	<u>201,921</u>	<u>458,359</u>
	1,092,515	494,519	338,419	445,157	2,370,610
Other purposes:					
Benefits	<u>10,874</u>	<u>3,262</u>	<u>2,206</u>	<u>3,160</u>	<u>19,502</u>
	<u>\$ 4,783,104</u>	<u>\$ 1,772,520</u>	<u>\$ 1,003,975</u>	<u>\$ 1,295,210</u>	<u>\$ 8,854,809</u>

The following provides a detail of the unrestricted net assets balances as of December 31, 2006:

	DeWitt Charter Township	Bath Charter Township	City of DeWitt	Watertown Charter Township	Total
Designated for:					
Sewer system	\$ 210,352	\$ 80,202	\$ 63,669	\$ 54,675	\$ 408,898
Industrial pretreatment program	<u>60,427</u>	<u>15,841</u>	<u>15,353</u>	<u>16,806</u>	<u>108,427</u>
	<u>\$ 270,779</u>	<u>\$ 96,043</u>	<u>\$ 79,022</u>	<u>\$ 71,481</u>	<u>\$ 517,325</u>

Southern Clinton County Municipal Utilities Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE F: NET ASSETS - CONTINUED

The following provides a summary of the restricted and unrestricted net assets amounts by constituent municipality:

	DeWitt Charter Township	Bath Charter Township	City of DeWitt	Watertown Charter Township	Total
Restricted	\$ 4,783,104	\$ 1,772,520	\$ 1,003,975	\$ 1,295,210	\$ 8,854,809
Unrestricted	<u>270,779</u>	<u>96,043</u>	<u>79,022</u>	<u>71,481</u>	<u>517,325</u>
	<u>\$ 5,053,883</u>	<u>\$ 1,868,563</u>	<u>\$ 1,082,997</u>	<u>\$ 1,366,691</u>	<u>\$ 9,372,134</u>

NOTE G: CONTRACTUAL COMMITMENTS

The Authority has entered into a contract for the Solids Handling Project. The amount of the contractual commitment outstanding as of December 31, 2006 was \$70,391. The Authority's restricted net assets along with future municipality contributions are expected to be sufficient to cover these commitments.

OTHER SUPPLEMENTARY INFORMATION

Southern Clinton County Municipal Utilities Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's).

Interest Rate Risk

The authority will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Authority's cash requirements.

Concentration of Credit Risk

SCCMUA's concentration of credit risk, which is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial Credit Risk

SCCMUA will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Board and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Authority will do business in accordance with Board approved policy.

The cash, cash equivalents, and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the Statement of Net Assets, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of December 31, 2006:

Cash and cash equivalents	\$ 254,977
Investments - current	2,262,513
Investments - noncurrent	<u>603,879</u>
	<u>\$ 3,121,369</u>

NOTE C: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006, was as follows:

	Balance Jan. 1, 2006	Additions	Deletions	Balance Dec. 31, 2006
Capital assets not being depreciated				
Construction in progress	\$ 2,491,784	\$ -	\$(2,491,784)	\$ -0-
Capital assets being depreciated				
Machinery and equipment	2,727,398	5,319,368	-	8,046,766
Less accumulated depreciation for				
Machinery and equipment	<u>(1,393,708)</u>	<u>(188,361)</u>	<u>-</u>	<u>(1,582,069)</u>
Total capital assets being depreciated	<u>1,333,690</u>	<u>5,131,007</u>	<u>-0-</u>	<u>6,464,697</u>
Net Capital Assets	<u>\$ 3,825,474</u>	<u>\$ 5,131,007</u>	<u>\$(2,491,784)</u>	<u>\$ 6,464,697</u>

Southern Clinton County Municipal Utilities Authority

COMBINING STATEMENT OF REVENUES AND EXPENSES

Year Ended December 31, 2006

	Investment Earnings and Interest Clearing	Sewer System	Industrial Pretreatment Program	Total
REVENUES				
Charges for services	\$ -	\$ 3,850,848	\$ 23,579	\$ 3,874,427
Interest	155,122	-	-	155,122
Other	-	11,663	-	11,663
TOTAL REVENUES	155,122	3,862,511	23,579	4,041,212
EXPENSES				
Salaries	-	729,174	5,206	734,380
Benefits	-	286,977	1,350	288,327
Motor vehicle and mileage	-	31,455	973	32,428
Utilities	-	314,609	-	314,609
Regulatory fees	-	8,371	-	8,371
Insurance	-	84,258	-	84,258
Repairs and maintenance	-	383,801	-	383,801
Education and training	-	20,130	1,927	22,057
Professional services	-	51,223	15,108	66,331
Supplies	-	72,395	173	72,568
Solids handling	-	55,835	-	55,835
Odor Control	-	28,939	-	28,939
Miscellaneous	-	5,490	-	5,490
Equipment depreciation	-	188,361	-	188,361
Refund to municipalities	-	284,850	-	284,850
TOTAL EXPENSES	-0-	2,545,868	24,737	2,570,605
REVENUES OVER (UNDER) EXPENSES	\$ 155,122	\$ 1,316,643	\$ (1,158)	\$ 1,470,607

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL

Investment Earnings and Interest Clearing

Year Ended December 31, 2006

With Actual Amounts for Year Ended December 31, 2005

	<u>Budget</u>	<u>2006 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2005 Actual</u>
REVENUES				
Investment earnings and interest	\$ 27,438	\$ 155,122	\$ 127,684	\$ 95,049
EXPENSES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
REVENUES OVER EXPENSES	<u>\$ 27,438</u>	<u>\$ 155,122</u>	<u>\$ 127,684</u>	<u>\$ 95,049</u>

NOTE: Budget data is presented for informational purposes only.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL

Sewer System

Year Ended December 31, 2006

With Actual Amounts for Year Ended December 31, 2005

	Amended Budget	2006 Actual	Variance Favorable (Unfavorable)	2005 Actual
REVENUES				
Charges for services				
DeWitt Charter Township	\$ 1,285,812	\$ 2,261,288	\$ 975,476	\$ 1,497,951
Bath Charter Township	672,718	715,027	42,309	1,218,477
City of DeWitt	291,736	332,371	40,635	304,879
Watertown Charter Township	250,319	542,162	291,843	637,321
Other	190,036	11,663	(178,373)	12,102
TOTAL REVENUES	2,690,621	3,862,511	1,171,890	3,670,730
EXPENSES				
Direct allocation (DA) -				
DeWitt Charter Township				
Salaries	71,347	68,981	2,366	78,541
Benefits	21,003	17,386	3,617	19,993
Motor vehicle and mileage	7,000	9,080	(2,080)	8,439
Professional services	1,500	724	776	-
Utilities	17,000	16,073	927	14,125
Repairs and maintenance	25,000	14,195	10,805	13,392
Collection system repairs	95,000	64,981	30,019	68,854
Odor Control	10,000	1,763	8,237	-
Capital improvements	-	-	-0-	18,499
Equipment depreciation	5,252	5,252	-0-	5,248
Total DA - DeWitt Charter Township	253,102	198,435	54,667	227,091
Direct allocation (DA) -				
Bath Charter Township				
Salaries	78,054	87,002	(8,948)	79,147
Benefits	21,506	24,771	(3,265)	20,703
Motor vehicle and mileage	7,500	9,728	(2,228)	9,042
Professional services	1,500	-	1,500	-
Utilities	60,000	56,126	3,874	53,534
Repairs and maintenance	60,000	59,034	966	32,879
Collection system repairs	40,000	20,573	19,427	22,979
Odor control	18,000	19,112	(1,112)	18,100
Equipment depreciation	16,471	16,858	(387)	16,663
Refund to municipality	-	232,418	(232,418)	-
Total DA - Bath Charter Township	303,031	525,622	(222,591)	253,047

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - CONTINUED

Sewer System

Year Ended December 31, 2006

With Actual Amounts for Year Ended December 31, 2005

	Amended Budget	2006 Actual	Variance Favorable (Unfavorable)	2005 Actual
EXPENSES - CONTINUED				
Direct allocation (DA) -				
City of DeWitt				
Salaries	\$ 21,258	\$ 19,703	\$ 1,555	\$ 19,077
Benefits	6,258	4,965	1,293	4,713
Motor vehicle and mileage	1,750	2,270	(520)	2,110
Professional services	500	-	500	-
Utilities	18,000	13,549	4,451	12,163
Repairs and maintenance	4,000	3,299	701	2,028
Collection system repairs	45,000	18,689	26,311	28,129
Capital improvements	180,000	-	180,000	-
Equipment depreciation	1,921	1,921	-0-	1,920
Total DA - City of DeWitt	278,687	64,396	214,291	70,140
Direct allocation (DA) -				
Watertown Charter Township				
Salaries	28,249	18,888	9,361	19,963
Benefits	8,316	4,334	3,982	4,909
Motor vehicle and mileage	1,750	2,270	(520)	2,110
Professional services	500	276	224	-
Utilities	5,500	5,501	(1)	4,163
Repairs and maintenance	7,000	7,432	(432)	3,886
Collection system repairs	20,000	15,716	4,284	22,042
Odor control	3,000	453	2,547	-
Equipment depreciation	1,921	1,921	-0-	1,920
Refund to municipality	-	52,432	(52,432)	-
Total DA - Watertown Charter Township	76,236	109,223	(32,987)	58,993
Operation and maintenance				
Salaries	249,061	252,979	(3,918)	224,641
Benefits	61,206	60,814	392	39,555
Supplies	21,500	17,667	3,833	15,936
Motor vehicle and mileage	2,500	3,243	(743)	3,014
Insurance	90,000	84,258	5,742	81,610
Insurance - hospitalization	80,467	61,156	19,311	53,850
Insurance - workers' compensation	11,000	11,237	(237)	9,923
Insurance - dental	9,015	5,656	3,359	4,881
Insurance - long-term disability	8,733	6,204	2,529	6,167
Utilities	41,000	51,244	(10,244)	42,994
Repairs and maintenance	83,000	86,467	(3,467)	81,170
Miscellaneous	4,350	3,365	985	3,372
Equipment depreciation	109,463	87,240	22,223	67,632
Capital improvements	3,258,500	-	3,258,500	40,228
Total operation and maintenance	4,029,795	731,530	3,298,265	674,973

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - CONTINUED

Sewer System

Year Ended December 31, 2006

With Actual Amounts for Year Ended December 31, 2005

	Amended Budget	2006 Actual	Variance Favorable (Unfavorable)	2005 Actual
EXPENSES - CONTINUED				
Authority administration				
Commissioner salaries	\$ 13,000	\$ 11,030	\$ 1,970	\$ 11,360
Employee salaries	105,234	89,197	16,037	84,877
Benefits	31,974	26,562	5,412	21,814
Education and training	6,000	6,030	(30)	5,144
Supplies	3,000	2,505	495	1,586
Motor vehicle and mileage	1,250	1,621	(371)	1,507
Professional services	34,000	33,566	434	29,253
Legal ads	4,000	1,412	2,588	5,405
Miscellaneous	1,200	381	819	1,726
Total administration	199,658	172,304	27,354	162,672
Processing				
Salaries	177,482	171,466	6,016	179,125
Benefits	52,247	61,287	(9,040)	61,161
Education and training	15,000	14,100	900	11,008
Office supplies	4,500	3,699	801	2,677
Process supplies	63,000	48,524	14,476	45,559
Motor vehicle and mileage	2,000	2,594	(594)	2,411
Professional services	35,000	16,657	18,343	21,530
Utilities	141,000	146,136	(5,136)	124,573
Regulatory fees	8,500	8,371	129	7,634
Repairs and maintenance	78,000	51,903	26,097	55,639
Solids handling	80,000	55,835	24,165	72,093
Miscellaneous	1,000	332	668	180
Capital improvements	26,000	-	26,000	3,250
Equipment depreciation	63,762	68,130	(4,368)	65,313
Total processing	747,491	649,034	98,457	652,153

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - CONTINUED

Sewer System

Year Ended December 31, 2006

With Actual Amounts for Year Ended December 31, 2005

	Amended Budget	2006 Actual	Variance Favorable (Unfavorable)	2005 Actual
EXPENSES - CONTINUED				
Lift stations (LS) - DeWitt and Bath Charter Townships				
Salaries	\$ 10,469	\$ 9,928	\$ 541	\$ 6,898
Benefits	3,082	2,605	477	1,629
Motor vehicle and mileage	500	649	(149)	603
Utilities	28,000	25,980	2,020	22,435
Repairs and maintenance	21,000	24,706	(3,706)	5,162
Odor control	10,500	7,611	2,889	2,365
Collection system repairs	26,000	16,806	9,194	3,187
Equipment depreciation	7,039	7,039	-0-	7,039
Total processing LS - DeWitt and Bath Charter Townships	106,590	95,324	11,266	49,318
TOTAL EXPENSES	5,994,590	2,545,868	4,018,422	2,148,387
REVENUES OVER (UNDER) EXPENSES	<u>\$(3,303,969)</u>	<u>\$ 1,316,643</u>	<u>\$5,190,312</u>	<u>\$ 1,522,343</u>

NOTE: Budget data is presented for informational purposes only.

Southern Clinton County Municipal Utilities Authority

STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL

Industrial Pretreatment Program

Year Ended December 31, 2006

With Actual Amounts for Year Ended December 31, 2005

	Amended Budget	2006 Actual	Variance Favorable (Unfavorable)	2005 Actual
REVENUES				
Charges for services	\$ 35,497	\$ 23,579	\$ (11,918)	\$ 29,429
EXPENSES				
Salaries	8,000	5,206	2,794	4,573
Benefits	3,297	1,350	1,947	1,317
Supplies	900	173	727	724
Professional services	2,500	7,383	(4,883)	3,650
Laboratory fees	5,200	7,725	(2,525)	-
Motor vehicle and mileage	750	973	(223)	904
Education and training	2,000	1,927	73	678
Legal ads	500	-	500	-
Utilities	350	-	350	-
Capital improvements	12,000	-	12,000	-
TOTAL EXPENSES	35,497	24,737	10,760	11,846
REVENUES OVER (UNDER) EXPENSES	\$ -0-	\$ (1,158)	\$ (1,158)	\$ 17,583

NOTE: Budget data is presented for informational purposes only.